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Memorandum

TO: BATA Oversight Committee

DATE: June 2, 2010

FR: Executive Director

W. I. 1252

RE: Final FY 2010-11 Toll Bridge Program Operating and Capital Budget

This memorandum presents the final FY 2010-11 operating and capital budgets for the toll bridge program. Attachment A includes the line item detail for the FY 2010-11 operating budget as compared to the FY 2009-10 revised budget. For the final budget there are two changes from the draft budget that was presented to the Committee last month. The changes are:

- Direct staff costs have been increased by \$382,102 to a total of \$7,766,087 to reflect the final adjustments for temporary support and salary rates.
- BATA transfers Regional Measure 2 (RM 2) funds to MTC to support the marketing and public education for RM 2 projects. The budget has been revised to include a fund transfer of RM2 in the total amount of \$2,285,000, which includes \$550,000 for marketing and launching new services for RM2 projects and \$1,735,000 for marketing the implementation of Clipper. The revision is consistent with the MTC budgeting for these projects.

FY 2009-10 Toll Traffic

As shown in Table 1, for FY 2009-10 (through April 2010), total traffic is approximately 1.5 percent less than in FY 2008-09 and toll-paid traffic is expected to be about 0.8 percent lower compared to the previous fiscal year. The reduction in traffic can mostly be attributed to the closure of the San Francisco-Oakland Bay Bridge (SFOBB) over the Labor Day weekend in September 2010 and the partial closures of the SFOBB due to the eye-bar repairs on the bridge. Table 1 also shows that toll violations decreased by approximately 22 percent and carpools use was down by about 5 percent from a year ago.

Table 1 - Toll Traffic – FY 2008-09 & FY 2009-10 (Through April)

	FY 2008-09	FY 2009-10	Percent Change
Total Vehicles	103,603,651	102,114,609	-1.5%
Toll Paying Vehicles	93,324,859	92,607,735	-0.8%
Carpools/Free Vehicles	8,410,016	7,983,302	-5.1%
Violations (True)	1,818,776	1,413,516	-22.3%

FY 2010-11 Budget**Revenue:**

For FY 2010-11, staff is proposing to budget total toll revenue of \$596 million, which is \$129 million more than revenue estimates for FY 2009-10. The increase in the revenue estimate is due to the toll increase for the state-owned bridges, scheduled for implementation on July 1, 2010. Table 2 shows the proposed FY 2010-11 revenue estimates by toll program.

Table 2 - FY 2010-11 Estimated Toll Revenues

	FY 2009-10 Estimated Actual Toll Revenues	Estimated FY 2010-11 Toll Revenues	\$ Difference
RM1 and SRP Revenues	\$355,040,000	\$484,223,290	\$129,183,290
RM 2 Revenues	\$112,000,000	\$112,000,000	\$0
Total	\$467,040,000	\$596,223,290	\$129,183,290

Operating Expense:

- For FY 2010-11, the draft budget is estimated to total \$58 million to maintain and operate the bridges, which is about \$2.0 million (-3 percent) less than budgeted in FY 2009-10. The major highlights in the operations and maintenance portions of the budget include:
 - The Toll Collections line item for FY 2010-11 is projected to be \$21.6 million, which is about 2 percent less than the FY 2010-11 adopted budget. The budget reduction reflects an approximate 5 percent reduction in manual toll collection staffing and assumes some increased overhead and benefits costs. As shown in Table 3, from FY 2008-09 through 2010-11, manual toll collection staffing is proposed to be reduced by almost 50 positions as a result of lane closures and converting lanes to FasTrak[®]-only on the bridges.

Table 3 - FY 2010-11 Manual Toll Collections Budget

	FY 2008-09 Actual	FY 2009-10 Estimated Actual	FY 2009-10 Savings	FY 2010-11 Proposed Budget	FY 2010-11 Savings
Toll Collection Budgets	\$23,431,644	\$22,000,000	(\$1,431,644)	\$21,600,000	(\$400,000)
Toll Staff PY	326	291	(35)	277	(14)

- Toll funds pay for Caltrans' bridge structure maintenance (Category A Maintenance) expenses and toll facility maintenance (Category B Maintenance) for the state-owned bridges. For FY 2010-11, staff is proposing a total budget of \$7.9 million for maintenance (Maintenance A and B) activities, which is 22 percent less than the maintenance budget for FY 2009-10. The reduction in the maintenance budget reflects the work load and Caltrans resources available to perform the required maintenance services.

- For FY 2010-11, staff is proposing a total budget of \$16 million for the operation of the FasTrak® Customer Service Center (CSC), which is \$1.0 million more than the adopted budget for FY 2009-10. The added budget for FY 2010-11 is a result of staff's estimate of 120,000 added FasTrak® accounts for next year, including added accounts due to the requirements that carpools have FasTrak® and due to the planned opening of the Interstate 680 Express Lane in Fall 2010.
2. For FY 2010-11, a total of about \$80 million is budgeted for BATA's Administration costs for the RM 1, SRP, and RM 2 toll bridge programs, which represents a 93 percent increase from the FY 2009-10 budget. Almost all of the increase in BATA's administration costs is due to BATA's finance costs increasing from \$32 million in FY 2009-10 to \$70 million in FY 2010-11 due to the planned bond issuance, which was authorized by the Authority in April 2010.
 3. Resolution No. 93, approved by the Authority in April 2010, authorizes Transit Transfers (AB 664 Net Toll Reserves, 90 Percent Rail Reserves, and 2 Percent Net Transit Reserves) to be provided to MTC as a lump sum representing 50 years of annual revenues. Pursuant to the Resolution, the Transit Transfers in the FY 2010-11 budget reflect fund transfers from BATA to MTC in the total amount of \$505 million. This amount may be subject to an upward adjustment depending upon the actual pricing of the bond issuance referenced above.

Capital Programs:

Regional Measure 1 Toll Bridge Program

For FY 2009-10, Caltrans has requested rescission and allocations actions that result in a net reduction of \$583,000 in capital outlay support allocations based on current and projected rates of expenditures for the fiscal year. For FY 2010-11, Caltrans has requested a total net allocation of \$7.5 million to fund on-going support for construction oversight of the remaining Regional Measure 1 contracts. There is no change in program budget requested. Based upon BATA's current financial plan, the current forecast for the remainder of the program is fundable. Table 4 on the following page shows the distribution of allocations for FY 2010-11. This allocation request remains the same as presented to the Committee in May.

Table 4 - FY 2010-11 Regional Measure 1 Capital Support Allocations

Project	Total FY 2010-11 Support Allocation (millions)	Notes
New Benicia-Martinez Bridge	\$1.3	For contract close-out, as-built preparations, and oversight of remaining mitigation and landscaping projects.
New Carquinez Bridge and Bayfront Expressway Widening	\$0.3	For oversight of remaining mitigation and landscaping projects.
Interstate 880/State Route 92 Interchange	\$5.9	Construction oversight support
Total	\$7.5	

Toll Bridge Seismic Retrofit Program

For the Toll Bridge Seismic Retrofit Program (SRP), at its April meeting, the Toll Bridge Program Oversight Committee (TBPOC) took action to address the long term forecasted need for additional support on the East Span Replacement Project and to set a support budget for FY 2010-11. The TBPOC approved the transfer of \$204 million in program contingency to the East Span Replacement Project for support. This transfer is offset by \$65 million in savings on several completed contracts on the East Span Project that were completed with excess funds remaining in the budget. The TBPOC also took action to reduce the Antioch Bridge Seismic Retrofit Project budget by \$137 million based on the low bid that was recently awarded and to reduce the SFOBB West Approach Project budget by \$3 million due to completed contracts with unspent funds. Based upon BATA's current financial plan, the current forecast for the program is fundable.

For FY 2009-10, in line with the TBPOC support budget change for the East Span Replacement Project, the Department has requested a supplemental allocation of \$14 million for capital outlay support for the project. These funds will be used to support additional design support to the contractor to facilitate bridge fabrication and to help mitigate schedule risks.

For FY 2010-11, the TBPOC established a support budget of \$133.1 million for Caltrans on-going construction oversight and design support costs for the San Francisco-Oakland Bay Bridge Retrofit, the Antioch Bridge Retrofit, and Dumbarton Bridge Retrofit Projects. This allocation request remains the same as presented to the Committee in May. A \$5.5 million capital outlay rescission is also requested on the Oakland Touchdown Contract based on lower than expected construction contingency needs.

Table 5 - FY 2010-11 Seismic Retrofit Program Capital Outlay Support Allocations

Project	Total FY 2010-11 Support Allocation (millions)	Notes
SFOBB East Span Replacement	\$114.4	Design, construction, and inspection support
SFOBB West Approach	\$0.6	For oversight of remaining mitigation and landscaping projects.
Antioch Bridge Retrofit	\$7.2	Construction oversight support
Dumbarton Bridge Retrofit	\$10.9	Construction oversight support
Seismic Retrofit Program Total	\$133.1	

Toll Bridge Rehabilitation Program

A ten-year Toll Bridge Rehabilitation Program has been adopted by BATA to maintain the safe and efficient operation of the bridges and associated facilities. Fiscal Year 2010-11 allocations include \$48.7 million in capital and support. An additional \$14.9 million is budgeted, but yet not included in the allocations as those projects in earlier phases or needing final estimates. Over the ten-year period from FY 2010-11 to FY 2019-20, the Rehabilitation Program includes about \$785 million (escalated at 5% per year) in project costs. BATA and Caltrans staffs are also continuing to evaluate the longer-term (20-year) rehabilitation needs for the bridges. Staff intends to complete and present the 20-year analysis of bridge rehabilitation needs to the Committee in the Fall 2010.

Regional Measure 2 Toll Bridge Program

The Authority is requested to amend the RM2 Toll Bridge Program to be consistent with MTC Resolution No. 3801, Revised. There is no net change to the program budget.

AB 1171 Toll Bridge Program

The AB 1171 legislation gave the Authority the authorization to provide toll funding for congestion relief projects in the toll bridge corridors. In September 2008, MTC adopted Resolution 3434, Revised, which directed the AB 1171 funding to congestion relief projects in the toll corridors. This was followed by the Authority's action in June 2009 to program \$80 million to the Doyle Drive Replacement Project, \$16 million for the Transbay Terminal project, and \$27 million for the eBART project. Funds are programmed and budgeted by BATA with final allocations delegated to MTC. Staff proposes for the Authority to program and budget the remainder of the AB 1171 Program. The program is as follows and is consistent with the BATA Plan of Finance presented to the Authority in April.

Recommendation

Staff recommends that the Committee refer BATA Resolution No. 86, Revised (revisions to FY2009-10 capital budget) and BATA Resolution No. 94 (FY 2010 operating and capital budget) to the Authority for approval.

Steve Heminger

AF: rmc